

MINUTES OF ROANOKE CITY AUDIT COMMITTEE

February 3, 2003

1. CALL TO ORDER:

The meeting of the Roanoke City Audit Committee was called to order at 1:16 p.m. on Monday, February 3, 2003, with Chair, Linda F. Wyatt, presiding.

- **The roll was called by Mrs. Powers**

Audit Committee

Members Present: Linda F. Wyatt, Chair
Mayor Ralph K. Smith
William D. Bestpitch
Dr. M. Rubert Cutler
Alfred T. Dowe, Jr.

Others Present: Drew Harmon, Municipal Auditor
Darlene L. Burcham, City Manager
William M. Hackworth, City Attorney
Jesse A. Hall, Director of Finance
Ann Shawver, Deputy Director of Finance
David Morgan, General Manager, GRTC
Chip Holdren, Asst. General Manager, GRTC
Chris Slone, Public Information Officer
T. Douglas McQuade, KPMG
R. James Barker, KPMG
Mike Tuck, Assistant Municipal Auditor
Pamela Mosdell, Senior Auditor
Kevin Nicholson, Senior Auditor
Brian Garber, Senior Auditor
Evelyn Powers, Administrative Assistant

2. FINANCIAL KPMG AUDIT REPORTS – JUNE 30, 2002:

- A. City of Roanoke Letter of Recommendations on Procedures and Controls
- B. City of Roanoke Report to the Audit Committee
- C. City of Roanoke Pension Plan Letter to the Pension Committee
- D. City of Roanoke Report of Agreed-Upon Procedures for Enhanced E-911 Service Taxes
- E. City of Roanoke Independent Accountant's Report on Applying Agreed-Upon Procedures

Mrs. Wyatt ordered that the financial KPMG audit reports be received and filed. There were no objections to the order. Mrs. Wyatt recognized Mr. McQuade for comments. Mr. McQuade said that the management letter comment was accounting in nature. He

said that the City has been reporting money from third parties as “recovered costs,” instead of revenue. Mr. McQuade states that GASB 34 clarifies how money from third parties should be reported as revenue versus recovered costs. Therefore, KPMG recommends that the City amend its current accounting policy. Mr. Hall, Director of Finance agreed with the recommendation and stated that they are prepared to make the changes to comply with GASB 34.

3. INTERNAL AUDIT REPORT:**A. Cellular Telephones**

Mrs. Wyatt ordered that the internal audit report be received and filed. There were no objections to the order. Mrs. Wyatt recognized Mr. Harmon for comments. Mr. Harmon reported that Pamela Mosdell was the in-charge auditor and that any questions from the Committee were welcome. There were no questions from the Committee.

4. UNFINISHED BUSINESS:

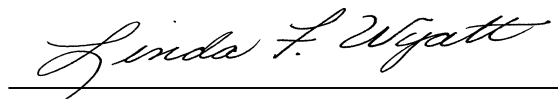
There was no unfinished business to come before the Committee.

5. NEW BUSINESS:

Mrs. Wyatt reported that she had contacted Radford University regarding the possibility of the internal audit department obtaining a student for a summer internship at no cost to the City. Mrs. Wyatt also mentioned that if this works out, the City Manager might want to look at the possibility of a summer internship through Radford University.

6. ADJOURNMENT:

There being no further business, the meeting was adjourned at 1:24 p.m.



Linda F. Wyatt, Chair